

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name WHITNEY TOWNSHIP	County ARENAC
Audit Date 3/31/05	Opinion Date 7/10/05	Date Accountant Report Submitted to State: 7/12/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

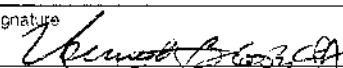
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) KENNETH B. COOK, CPA, PC			
Street Address 438 LAKE STREET	City TAWAS CITY	State MI	ZIP 48763
Accountant Signature 		Date 7/12/05	

TOWNSHIP OF WHITNEY

Arenac County, Michigan

***FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION***

With Auditor's Report

Year Ended March 31, 2005

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Table of Contents

Auditor's Report	1
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	2-3
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - All Governmental Fund Types	5-6
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	7
Combined Statement of Cash Flows - All Proprietary Fund Types	8
Notes to Financial Statements	9-13
Combining and Individual Fund and Account Group Statements & Schedules:	
Combining Balance Sheet - All Special Revenue Funds	14-15
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - All Special Revenue Funds	16-17
Statement of Changes in Assets and Liabilities - All Agency Funds	18
Letter of Comments and Recommendations	19-20

Kenneth B. Cook, CPA, PC

Certified Public Accountant



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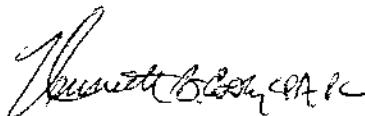
July 10, 2005

Members of the Township Board
Township of Whitney
Arenac County, Michigan

I have audited the accompanying financial statements of the Township of Whitney, Arenac County, Michigan, as of and for the year ended March 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Whitney, Arenac County, as of March 31, 2005 and the results of operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.



Kenneth B. Cook, CPA, PC
Certified Public Accountant

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combined Balance Sheet - All Fund Types
March 31, 2005

	Governmental Fund Types		Proprietary Fund Types
	General	Special Revenue	Enterprise
<u>Assets</u>			
Cash - Checking & Savings	\$164,963	\$312,716	\$140,567
Cash - Certificates & Time Deposits	42,780	-	263,424
Accounts Receivable	-	-	4,233
Special Assessments Receivable	19,019	-	36,803
Delinquent Taxes Receivable	6,657	9,872	-
Due from Other Funds	4,416	-	-
Land	-	-	-
Buildings	-	-	-
Equipment and Furniture	-	-	2,352
Amount to be provided for Capital Lease Lease Obligation	-	-	-
Total Assets	<u>\$237,834</u>	<u>\$322,588</u>	<u>\$447,379</u>
<u>Liabilities & Fund Equity</u>			
Liabilities:			
Accounts Payable	\$3,206	\$236	\$944
Obligations Under Capital Lease	-	-	-
Due to Individuals	-	8,965	-
Due to Other Funds	-	732	-
Total Liabilities	<u>3,206</u>	<u>9,933</u>	<u>944</u>
Fund Equity:			
Contributed Capital	-	-	361,330
Investment in General Fixed Assets	-	-	-
Retained Earnings			
Unreserved	-	-	85,105
Fund Balance			
Unreserved	234,628	312,655	-
Total Fund Equity	<u>234,628</u>	<u>312,655</u>	<u>446,435</u>
Total Liabilities & Fund Equity	<u>\$237,834</u>	<u>\$322,588</u>	<u>\$447,379</u>

The notes to the financial statements are an integral part of this statement.

Fiduciary Fund Types	Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Agency			
S3,684	-	-	\$621,930
-	-	-	306,204
-	-	-	4,233
-	-	-	55,822
-	-	-	16,529
-	-	-	4,416
-	32,208	-	32,208
-	234,779	-	234,779
-	365,871	-	368,223
-	-	27,000	27,000
<u>S3,684</u>	<u>S632,858</u>	<u>\$27,000</u>	<u>\$1,671,343</u>
-	-	-	S4,386
-	-	27,000	27,000
-	-	-	8,965
<u>3,684</u>	<u>-</u>	<u>-</u>	<u>4,416</u>
<u>3,684</u>	<u>0</u>	<u>27,000</u>	<u>44,767</u>
-	-	-	361,330
-	593,797	-	593,797
-	-	-	85,105
-	-	-	547,283
<u>0</u>	<u>593,797</u>	<u>0</u>	<u>1,587,515</u>
<u>S3,684</u>	<u>S593,797</u>	<u>\$27,000</u>	<u>\$1,632,282</u>

TOWNSHIP OF WHITNEY
Arenac County, Michigan
Combined Statement of Revenue, Expenditures and Changes in
Fund Balance - All Governmental Fund Types
For the Year Ended March 31, 2005

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
Revenues:			
Taxes	\$102,159	\$164,709	\$266,868
Licenses & Permits	-	10,912	10,912
State Shared Revenue	68,090	-	68,090
Charges for Services	12,267	472	12,739
Interest on Investments	1,175	1,173	2,348
Interest on Assessments	657	-	657
Rents	6,155	-	6,155
Total Revenues	190,503	177,266	367,769
Expenditures:			
Township Board	30,359	-	30,359
Supervisor	10,532	-	10,532
Elections	3,003	-	3,003
General Services Administration:			
Assessor	15,326	-	15,326
Clerk	12,999	-	12,999
Board of Review	1,035	-	1,035
Treasurer	13,486	-	13,486
Building & Grounds	9,737	-	9,737
Liquor Law Enforcement	420	-	420
Fire Protection	-	17,891	17,891
Highways, Streets & Bridges	1,941	-	1,941
Drains	3,415	-	3,415
Street Lighting	5,356	-	5,356
Planning & Zoning	7,911	-	7,911
Conservation of Natural Resources	-	927	927
Building Inspection	-	9,946	9,946
Cemetery & Landfill	39,000	-	39,000
Library	1,960	-	1,960
Capital Outlay	350	38,711	39,061
Total Expenditures	156,830	67,475	224,305
Excess of Revenues Over (Under) Expenditures	33,673	109,791	143,464
Other Financing Sources (Uses):			
Operating Transfers In (Out)	732	(732)	0
Debt Retirement	(29,200)	-	(29,200)
Excess of Revenues and Other Sources			
Over (Under) Expenditures and Other Uses	5,205	109,059	114,264
Fund Balance, April 1, 2004	229,423	203,596	433,019
Fund Balance, March 31, 2005	\$234,628	\$312,655	\$547,283

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combined Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual - All Governmental Fund Types
For the Year Ended March 31, 2005

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$90,100	\$102,159	\$12,059
Licenses & Permits	-	-	-
State Shared Revenue	67,000	68,090	1,090
Charges for Services	6,909	12,267	5,358
Interest on Investments	100	1,175	1,075
Interest on Assessments	-	657	657
Rents	6,000	6,155	155
Total Revenues	170,109	190,503	20,394
Expenditures:			
Township Board	33,580	30,359	3,221
Supervisor	11,176	10,532	644
Elections	3,700	3,003	697
General Services Administration:			
Assessor	16,200	15,326	874
Clerk	13,610	12,999	611
Board of Review	1,400	1,035	365
Treasurer	13,992	13,486	506
Building & Grounds	11,475	9,737	1,738
Liquor Law Enforcement	470	420	50
Fire Protection	-	-	-
Highways, Streets & Bridges	2,000	1,941	59
Drains	5,000	3,415	1,585
Street Lighting	6,000	5,356	644
Planning & Zoning	8,200	7,911	289
Conservation of Natural Resources	-	-	-
Building Inspection	-	-	-
Cemetery & Landfill	39,000	39,000	0
Library	2,100	1,960	140
Capital Outlay	3,000	350	2,650
Total Expenditures	170,903	156,830	14,073
Excess of Revenues Over (Under) Expenditures	(794)	33,673	34,467
Other Financing Sources (Uses):			
Operating Transfers In (Out)	732	732	0
Debt Retirement	(29,200)	(29,200)	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(29,262)	5,205	34,467
Fund Balance, April 1, 2004	229,423	229,423	0
Fund Balance, March 31, 2005	\$200,161	\$234,628	\$34,467

The notes to the financial statements are an integral part of this statement.

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$49,700	\$164,709	\$115,009	\$139,800	\$266,868	\$127,068
6,300	10,912	4,612	6,300	10,912	4,612
-	-	-	67,000	68,090	1,090
-	472	472	6,909	12,739	5,830
65	1,173	1,108	165	2,348	2,183
-	-	-	0	657	657
-	-	0	6,000	6,155	155
56,065	177,266	121,201	226,174	367,769	141,595
-	-	-	33,580	30,359	3,221
-	-	-	11,176	10,532	644
-	-	-	3,700	3,003	697
-	-	-	16,200	15,326	874
-	-	-	13,610	12,999	611
-	-	-	1,400	1,035	365
-	-	-	13,992	13,486	506
-	-	-	11,475	9,737	1,738
-	-	-	470	420	50
64,100	17,891	46,209	64,100	17,891	46,209
-	-	-	2,000	1,941	59
-	-	-	5,000	3,415	1,585
-	-	-	6,000	5,356	644
-	-	-	8,200	7,911	289
500	927	(427)	500	927	(427)
10,500	9,946	554	10,500	9,946	554
-	-	-	39,000	39,000	0
-	-	-	2,100	1,960	140
40,000	38,711	1,289	43,000	39,061	3,939
115,100	67,475	47,625	286,003	224,305	61,700
(59,035)	109,791	168,826	(59,829)	143,464	203,293
(732)	(732)	0	0	0	0
-	-	0	(29,200)	(29,200)	0
(59,767)	109,059	168,826	(89,029)	114,264	203,293
203,596	203,596	0	433,019	433,019	0
\$143,829	\$312,655	\$168,826	\$343,990	\$547,283	\$203,293

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combined Statement of Revenue, Expenses and Changes in
Retained Earnings - Budget and Actual - All Proprietary Fund Types
For the Year Ended March 31, 2004

	Water Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
Operating Revenues:			
Water Charges	\$174,500	\$174,657	\$157
Charges for Services	1,400	1,770	(370)
Sale of Fixed Assets	-	-	0
Total Operating Revenue	175,900	176,427	(213)
Operating Expenses:			
Purchase of Water and O&M	170,000	154,693	15,307
Salaries and Wages	6,800	5,680	1,120
Payroll Taxes & Employee Benefits	500	442	58
Supplies	10,500	8,789	1,711
Telephone	700	572	128
Contracted Services	1,000	1,000	0
Miscellaneous	11,284	10,305	979
Total Operating Expenses	200,784	181,481	19,303
Operating Income (Loss)	(24,884)	(5,054)	19,090
Non-Operating Revenues (Expenses):			
Interest on Investments	1,000	7,536	6,536
Total Non-Operating Revenues (Expenses)	1,000	7,536	6,536
Income Before Operating Transfers	(23,884)	2,482	26,366
Operating Transfers In (Out)	29,582	29,582	0
Net Income (Loss)	5,698	32,064	26,366
Retained Earnings, March 31, 2004	53,041	53,041	0
Retained Earnings, March 31, 2005	\$58,739	\$85,105	\$26,366
Contributed Capital, March 31, 2004		\$387,781	
Other Financing Sources (Uses):			
Transfers In (Out) for Bond Redemption		(29,582)	
Interest Earned on Special Assessments		3,131	
Contributed Capital, March 31, 2005		\$361,330	

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combined Statement of Cash Flows
All Proprietary Fund Types
Year Ended March 31, 2005

	Proprietary Fund Type Enterprise Water Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	\$185,220
Cash Paid to Suppliers and Employees	(180,629)
Interest Received on Investments	7,536
Purchase of Fixed Assets	-
Cash Received from Sale of Fixed Assets	-
Net Cash Provided (Used) by Operating Activities (Note 4)	12,127
Cash Flows from Non capital Financing Activities:	
Cash Received from Other Funds	-
Cash Received (Paid) from Grants	-
Cash Paid to Other Funds	-
Net Cash Provided (Used) by Non Capital Financing Activities	0
Cash Flows from Capital and Related Financing Activities:	
Cash Received from Special Assessments	-
Interest Received on Special Assessments	3,131
Financing Activities:	
Cash purchase of Property, Plant & Equipment	-
Repayment of Bonds Payable	-
Repayment of Contracts Payable	-
Interest Paid On Long-Term Debt	-
Net Cash Provided (Used) by Capital and Related Financing Activities	3,131
Net Increase (Decrease) in Cash and Cash Equivalents	15,258
Cash and Cash Equivalents at Beginning of Year	388,733
Cash and Cash Equivalents at End of Year	\$403,991

The notes to the financial statements are an integral part of this statement.

*Township of Whitney
Arenac County, Michigan*

Notes to Financial Statements
March 31, 2005

Note 1 - Summary of Significant Accounting Policies

Description of Township Operations and Fund Types

Whitney Township operates under an elected Township Board (five members) and provides services to its more than 1,033 residents in many areas including fire protection, street lighting, refuse collection and improvement of local streets. In accordance with provisions of NCGA Statement 3, certain other governmental organizations are not considered to be part of the Township entity for financial reporting purposes. The criteria established by the NCGA for determining the various governmental organizations to be included in the reporting entity's financial statements include oversight responsibility, scope of public service, and special financing relationships. On this basis the financial statements of certain other governmental organizations listed below are not included in the financial statements of the Township.

Educational services are provided to citizens through the local school districts which are separate governmental entities and are not a part of this report. Water intake and treatment are provided to Whitney Township by contract with Sims-Whitney Utilities Authority which is a separate governmental entity and is not a part of this report. The Whitney Township Building Authority functions as a separate entity. The examination of the entity is reflected in a separate audit report. Cemetery and landfill operations are shared with Sims Township and are under the control of that governmental entity, therefore, are not a part of this report.

Basis of Presentation:

The financial activities of the Township are recorded in the fund described as follows:

Governmental Funds

General Fund

This fund is used to account for all the transactions not accounted for in another fund, including the general operating expenditures of the Township revenues which are primarily derived from property taxes and state distributions.

Special Revenue Funds

These funds (Fire Fund, Gypsy Moth Fund, Mosquito Control Fund & Building Inspection Fund) are used to account for specific governmental revenues (other than special assessments and major capital projects) requiring separate accounting because of legal, regulatory or administrative action.

Proprietary Fund

Enterprise Fund

This fund (Water Fund) reports operations that provide services which are financed primarily with user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.

Fiduciary Fund

This fund (Property Tax Collection Fund) is used to account for assets held in an agency capacity for others.

Account Groups

General Fixed Asset Group of Accounts

This account group presents the fixed assets the local unit utilizes in its general operations (non-proprietary fixed assets).

General Long Term Debt Group of Accounts

This account group presents the balance of general obligation long-term debt of the Township.

Basis of Accounting

The financial statements have been prepared using the modified accrual basis of accounting. Revenues are recognized in the period they become available and measurable. Expenditures are recognized in the period they are incurred.

The financial statements of Proprietary Funds are reflected on the accrual basis of accounting.

Inventories

Inventories have not been recognized in the financial statements as materials and supplies are not material and have been expensed when purchased.

Property and Equipment

Property and equipment recorded in the Proprietary Fund has been stated at cost. Expenditures which significantly extended the useful life of existing assets are capitalized. Depreciation on property and equipment is computed using the straight-line method over the estimated useful lives of the assets.

Budgets

Significant governmental funds are under formal budgetary control. Budgets shown in the financial statements were prepared on a basis not significantly different from the modified accrual basis used to reflect the actual results of operations. The budget amounts reflected in the financial statements include any authorized amendments to the original budget.

Statement of Cash Flows

For purposes of the statement of cash flows, cash equivalents include time deposits and certificates of deposit.

Note 2 - Excess of Expense over Budget

P.A. 621 of 1978, Section 18(1), as amended, requires the adoption of a balanced budget for the General Fund, as well as budget amendments as needed to prevent actual expenditures from exceeding those amounts appropriated.

During the year ended March 31, 2005, the Township incurred expenses in excess of the amounts appropriated. Where applicable these instances have been noted in the "Variance" column as (Unfavorable).

Note 3 - Interfund Receivables and Payables

The amounts of interfund receivables and payables on March 31, 2005 are as follows:

Interfund Receivables:

General Fund	\$4,416
Total	<u>\$4,416</u>

Interfund Payables:

Building Inspection Fund	732
Property Tax Collection Fund	3,684
Total	<u>\$4,416</u>

Note 4 - Cash and Cash Equivalents

The Township's deposits are in compliance with statutory authority. The Governmental Accounting Standards Board (GASB) Statement No. 3, risk disclosures for the Township's cash deposits are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$443,425	\$442,653
Uninsured	484,709	471,668
Total	<u>\$928,134</u>	<u>\$914,321</u>

In accordance with GASB Statement No. 3, investments are normally classified into three categories of credit risk. The nature of mutual funds, bond funds, and investment pools does not allow for risk categorizations, which is in accordance with GASB Statement No. 3.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Non risk-Categorized		
Certificates of Deposit	\$315,028	\$315,028

These investments comply with PA 20 of 1943, as amended (MCL 129.91)

Note 5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance April 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2004</u>
Land	\$32,208	\$0	\$0	\$32,208
Buildings	234,779	0	0	234,779
Equipment & Furniture	326,810	39,061	0	365,871
Total	<u>\$593,797</u>	<u>\$39,061</u>	<u>\$0</u>	<u>\$632,858</u>

Note 6 - Capitalized Lease

On February 14, 1978 Whitney Township entered into a lease with the Whitney Township Building Authority for the lease of the Township Hall. The township hall was completed during the fiscal year 1979-1980. The annual lease payment is equal to the debt service requirement of the Building Authority. Upon full payment of all principal and interest requirement, the Building Authority will convey title to the Township.

The total cost of the township hall, which amounted to \$216,037, is reported in the General Fixed Asset Account Group. No depreciation is provided.

The minimum lease payments are recorded in the Long-Term Debt Account Group. A schedule of the minimum lease payments is detailed as follows:

<u>Fiscal Year</u>	<u>Lease Payments</u>
2005-06	\$8,350
2006-07	8,000
2007-08	7,650
2008-09	6,300
Net minimum lease payments	30,300
Less: Amount representing	
Interest	<u>(3,300)</u>
Present Value of Net Minimum	
Lease Payable	<u>\$27,000</u>

Note 7 - Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the year ended March 31, 2005:

	<u>General Obligation</u>
Capitalized Lease Payable April 1, 2004	\$54,000
Lease payments	(27,000)
Capitalized Lease Payable March 31, 2005	<u>\$27,000</u>

Note 8 - Retirement Plan

The Township adopted a defined contribution pension plan covering substantially all its employees, effective July 1, 1992. The pension expense for 2003-04 was based on 7.5% of compensation. The plan is being operated through the Travelers Insurance Company with benefits fully vested from date of deposit.

Note 9 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. The Township has purchased commercial insurance for physical damage (building and contents) and medical benefit claims. Settled claims for the commercial insurance have not exceeded the amount of insurance in any of the past three fiscal years.

Note 10 - Totals (Memorandum Only)

The total column on the Combined Statements is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund elimination's have not been made on the aggregate of this data.

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combining Balance Sheet - All Special Revenue Funds
March 31, 2005

	Fire Fund	Gypsy Moth Fund	Mosquito Control Fund
<u>Assets</u>			
Cash - Checking & Savings	\$100,830	\$124,481	\$77,305
Delinquent Taxes Receivable	3,313	1,588	4,971
Due from Other Funds	-	-	-
Total Assets	<u>\$104,143</u>	<u>\$126,069</u>	<u>\$82,276</u>
<u>Liabilities & Fund Equity</u>			
Liabilities:			
Accounts Payable	\$112	-	124
Due to Individuals	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	<u>112</u>	<u>0</u>	<u>124</u>
Fund Equity:			
Fund Balance			
Unreserved	104,031	126,069	82,152
Total Fund Equity	<u>104,031</u>	<u>126,069</u>	<u>82,152</u>
Total Liabilities & Fund Equity	<u>\$104,143</u>	<u>\$126,069</u>	<u>\$82,276</u>

The notes to the financial statements are an integral part of this statement.

Building Inspection Fund	Totals
\$10,100	\$312,716
-	9,872
-	0
<u>\$10,100</u>	<u>\$322,588</u>

-	\$236
8,965	8,965
732	732
<u>9,697</u>	<u>9,933</u>

403	312,655
403	312,655
<u>\$10,100</u>	<u>\$322,588</u>

TOWNSHIP OF WHITNEY

Arenac County, Michigan

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

All Special Revenue Funds

For the Year Ended March 31, 2005

	Fire Fund	Gypsy Moth Fund	Mosquito Control Fund
Revenues:			
Taxes	\$55,276	\$26,498	\$82,935
Licenses & Permits	-	-	-
Charges for Services	472	-	-
Interest on Investments	262	893	-
Total Revenues	56,010	27,391	82,935
Expenditures:			
Fire Protection	17,891	-	-
Conservation of Natural Resources	-	144	783
Building Inspection	-	-	-
Capital Outlay	38,711	-	-
Total Expenditures	56,602	144	783
Excess of Revenues Over (Under) Expenditures	(592)	27,247	82,152
Other Financing Sources (Uses):			
Operating Transfers In (Out)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(592)	27,247	82,152
Fund Balance, April 1, 2004	104,623	98,822	-
Fund Balance, March 31, 2005	\$104,031	\$126,069	\$82,152

The notes to the financial statements are an integral part of this statement.

Building Inspection Fund	Totals
-	\$164,709
10,912	10,912
-	472
18	1,173
10,930	177,266
-	17,891
-	927
9,946	9,946
-	38,711
9,946	67,475
984	109,791
(732)	(732)
252	109,059
151	203,596
\$403	\$312,655

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Statement of Changes in Assets and Liabilities-All Agency Funds
March 31, 2005

PROPERTY TAX COLLECTION FUND

	Balance			Balance
	April 1, 2004	Additions	Deductions	March 31, 2005
<u>Assets</u>				
Cash - Checking & Savings	\$5,522	\$1,815,943	(\$1,817,781)	\$3,684
Total Assets	<u>\$5,522</u>	<u>\$1,815,943</u>	<u>(\$1,817,781)</u>	<u>\$3,684</u>
<u>Liabilities</u>				
Due to Other Governmental Units	\$0	\$1,557,346	(\$1,557,346)	\$0
Due to Individuals	0	5,855	(5,855)	0
Due to Other Funds	5,522	252,742	(254,580)	3,684
Total Liabilities	<u>\$5,522</u>	<u>\$1,815,943</u>	<u>(\$1,817,781)</u>	<u>\$3,684</u>

TOTALS - ALL AGENCY FUNDS

	Balance			Balance
	April 1, 2004	Additions	Deductions	March 31, 2005
<u>Assets</u>				
Cash - Checking & Savings	\$5,522	\$1,815,943	(\$1,817,781)	\$3,684
Total Assets	<u>\$5,522</u>	<u>\$1,815,943</u>	<u>(\$1,817,781)</u>	<u>\$3,684</u>
<u>Liabilities</u>				
Due to Other Governmental Units	\$0	\$1,557,346	(\$1,557,346)	\$0
Due to Individuals	0	5,855	(5,855)	0
Due to Other Funds	5,522	252,742	(254,580)	3,684
Total Liabilities	<u>\$5,522</u>	<u>\$1,815,943</u>	<u>(\$1,817,781)</u>	<u>\$3,684</u>

The notes to the financial statements are an integral part of this statement.



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Phone: (989) 362-4412
Fax: (989) 362-5171

July 10, 2005

Members of the Township Board
Township of Whitney
Arenac County, Michigan

In the planning and performing of my audit of the general purposed financial statements of the Township of Whitney, for the year ended March 31, 2005, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statement and not to provide assurance on the internal control structure. However, I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants.

Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Township of Whitney's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

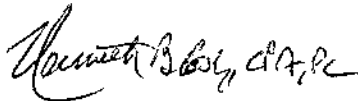
A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that error or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. I noted no matters involving the internal control structure and its operation that I consider to be a material weakness as defined above. Items of lesser importance and comments on certain items for information purposes only follow.

This report is intended solely for the use of management and the Michigan Department of Treasury. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board, is a matter of public record.

Separation of Duties:

Due to the small staffing at Whitney Township, it is impossible to have different individuals perform bank reconciliation's, bank deposits and collection of cash to better segregate duties. This will be an ongoing internal control weakness until the township employs assistants and separation of duties.



Kenneth B. Cook, CPA, PC
Certified Public Accountant